

Agenda Item	10
Report No	ERA-08-22

HIGHLAND COUNCIL

Committee: Easter Ross Area Committee

Date: 17 February 2022

Report Title: Housing Revenue Account: Garage Rents 2022/2023

Report By: Executive Chief Officer Housing and Property

1 Purpose/Executive Summary

- 1.1 This report provides information on garage rents for Lochaber and invites the Committee to set rent levels for garage and garage sites held on the Housing Revenue Account for 2022/2023.

2 Recommendations

- 2.1 The Committee is invited to agree a level of rent increase to apply to Easter Ross Garages and Garage Sites.

3 Implications

- 3.1 **Resource** – Resource implications are detailed in the report.
- 3.2 **Legal** – There are no legal implications arising from this report.
- 3.3 **Community (Equality, Poverty and Rural)** – There are no equality implications arising from this report.
- 3.4 **Climate Change / Carbon Clever** – There are no climate change/Carbon Clever implications arising from this report.
- 3.5 **Risk** – There are no risk implications arising from this report.
- 3.6 **Gaelic** - There are no Gaelic implications arising from this report.

4 Background

- 4.1 Developing local priorities for garages and garage sites held on the Housing Revenue Account are undertaken at a local level. This includes decisions on retention/disposal of garages as well as on rent levels and investment, within the delegated area Housing Revenue Account budget.

5 Current income relating to garages

- 5.1 The table below details the current position with garages in Easter Ross.

Type	Number of Units	Total weekly	Total annual rent
Garages Ward 6	310	\$3,391.10	£162,772.80
Garages Ward 7	52	£551.80	£26,486.40
Total	362	£3,942.90	£189,259.20

- 5.3 The current occupancy levels and details of the budgeted void rent loss are provided below.

Type	Occupied	Void
Garages Ward 6	174	136
Garages Ward 7	27	25
Total	201	161

- 5.4 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £83,979.00 across Ross & Cromarty per year.
- 5.5 Actual rents paid vary between Council tenants and non-council tenants, as VAT is charged for people renting a garage who are non-Council house tenants. The table below shows the current rents for tenants and non-tenants for garages and garage sites in Easter Ross.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages Ward 6	127	£9.82	182	£11.78
Garages Ward 7	31	£9.82	21	£11.78

- 5.6 The average garage rent Highland-wide is £10.43 per week and the garage site rent £1.63 per week.

6 Rent Options

- 6.1 Tenant consultation on the general rent increase for Council house rents for 2022/23 was based on options for a 1% or 1.5% rent increase. A 1% general rent increase was approved by the Housing and Property Committee on 20 January 2022
- 6.2 The impact on garage rents in Easter Ross of an increase of 1% and 1.5% is summarised in the tables below.

1% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£9.82	£0.10	£9.92
Garage Rent non-tenant	£11.78	£0.12	£11.90
Ward 6 Annual Income	£162,772.80		£164,400.53
Ward 7 Annual Income	£26,486.40		£26,751.26
Annual Income	£189,259.20		£191,151.79

1.5% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£9.82	£0.15	£10.07
Garage Rent non-tenant	£11.78	£0.18	£11.96
Ward 6 Annual Income	£162,772.80		£165,214.39
Ward 7 Annual Income	£26,486.40		£26,883.70
Annual Income	£189,259.20		£192,089.09

- 6.3 Any net additional rent income from garages and garage sites generated by a rent increase would also be applied as an increase in the area repairs budget for garages and garage sites in 2022/23.

Designation: Executive Chief Officer Housing and Property

Date: 3 February 2021

Author: Rory MacLeod, Housing Manager